

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

April 24, 2002

IN RE:

**TARIFF OF CITIZENS TELECOMMUNICATIONS
COMPANY OF TENNESSEE REQUESTING
APPROVAL OF A PROMOTION FOR CUSTOMERS
IN MCMINNVILLE AND SPARTA EXCHANGES**

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**DOCKET NO.
02-00088**

**ORDER APPROVING PROMOTIONAL TARIFF
AND DENYING COMPLAINT AND PETITION TO INTERVENE**

This matter came before the Tennessee Regulatory Authority ("Authority") at the regularly scheduled Authority Conference held on February 5, 2002, for consideration of the tariff of Citizens Telecommunications Company of Tennessee ("Citizens") seeking to offer its Residential "Win-Back" Promotion (the "Promotion") in the McMinnville and Sparta exchanges. Citizens filed the Promotion on January 23, 2002, with a proposed effective date of February 6, 2002.

On January 29, 2002, the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate") filed a *Complaint and Petition to Intervene* ("Petition"), requesting the Authority deny Citizens' Promotion or in the alternative convene a contested case for the purpose of evaluating the issues in this matter. In its Petition, the Consumer Advocate asserted that the Promotion would result in unjust discrimination, undue and unreasonable preferences and would be unreasonably prejudicial. On February 4, 2002, Citizens filed its response which stated that this Promotion is Citizens' attempt to compete by utilizing a

vehicle traditionally approved by the Authority and, therefore, the Authority should deny the Consumer Advocate's Petition and approve the Promotion.

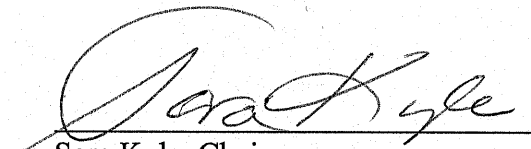
After careful consideration of the record, including the Petition as well as the Promotion as modified, the Authority made the following findings and conclusions:

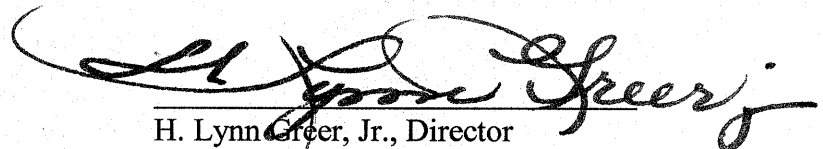
1. The Promotion extends a twenty dollar (\$20.00) credit to any existing Citizens customer who refers an existing competing local exchange carrier customer to Citizens, provided the referred customer maintains local service for one (1) month.
2. "Win-back" customers who subscribe to Citizens' basic local residential service will receive a credit of fifty dollars (\$50.00) applied to each access line and spread over six (6) months at a rate of \$8.33 credit per month. In addition, such a customer will receive twenty dollars (\$20.00) per month in free features for up to three (3) months. If the customer subscribes to Caller ID, Citizens Select or Select Plus, they will receive a free Caller ID box. All installation and activation fees associated with this promotion will be waived.
3. On January 30, 2002, Citizens modified the promotion to include any "New Customer" as well as any "Win-back" customer.
4. Based upon information on file with the Authority, Citizens is experiencing stiff competition in its McMinnville and Sparta exchanges, while facing minimal competition in its exchanges located in Weakley, Putnam and Cumberland counties. Accordingly, the Authority finds the competitive pressure prevalent in the McMinnville and Sparta exchanges is sufficient justification for limiting the offer to these two exchanges. Furthermore, the Authority finds that Citizens' request to respond quickly to its competition warrants a waiver of the thirty (30) day requirement for tariff changes as set forth in TRA Rule 1220-4-1-.04.

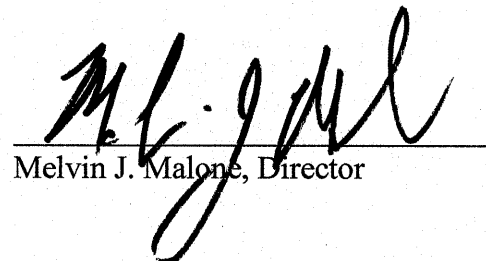
Due to the foregoing findings and conclusions, the Authority determined that a contested case is not warranted relative to the Promotion as modified on January 30, 2002. Therefore, the Directors voted unanimously to deny the Consumer Advocate's Petition, waive the thirty (30) day notice requirement and approve Citizens' Promotion.

IT IS THEREFORE ORDERED THAT:


1. The *Complaint and Petition to Intervene* of the Consumer Advocate and Protection Division of the Office of the Attorney General is denied; and
2. The tariff of Citizens Telecommunications Company of Tennessee seeking to offer its Residential "Win-Back" Promotion in the McMinnville and Sparta exchanges is approved, effective February 6, 2002.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary